

SUMMARY

The Office of Natural Gas & Petroleum Import & Export Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the fourth quarter of 2000 (October through December).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the 5 most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price data for gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

Fourth Quarter Highlights: As illustrated below, there were notable changes in activity compared to the fourth quarter of 1999.

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| Canadian Imports | 954.4 Bcf | up 8.8% |
| LNG Imports | 61.9 Bcf | up 45.3% |
| Mexican Imports | 6.6 Bcf | down 118% |
| Total Imports | 1,022.9 Bcf | up 9.5% |
| Mexican Exports | 26.3 Bcf | up 101% |
| Canadian Exports | 25.8 Bcf | up 46.6% |
| Japanese Exports | 18.8 Bcf | up 26.2% |

See details below for more information.

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|----------------------|---------|-------------|
| Puerto Rican Imports | 5.7 Bcf | New Project |
|----------------------|---------|-------------|

The Puerto Rican imports are shown in the table above, in the quarterly summary on the next page, and in Attachment B-1. **However, these imports are not reflected in any of the summary totals found on this page, as the summaries are only for trade pertaining to the continental U.S.**

High prices and LNG imports are the big stories for the quarter and the year. The average price of long-term Canadian imports was up 99.6 percent and the average price of short-term Canadian imports was up 153 percent compared to the fourth quarter of 1999.

During the fourth quarter, 4 importers of LNG (Distrigas Corporation; Duke Energy LNG; CMS Marketing, Services and Trading Company; and BP Energy Company) brought in 27 cargoes from 7 countries (Algeria, Australia, Indonesia, Nigeria, Oman, Qatar, and Trinidad), totaling 61.9 Bcf. This compares to 42.6 Bcf in the fourth quarter of 1999, and 73.6 Bcf in the last quarter.

Alliance Pipeline became fully operational on December 1, 2000. Approximately 55,497 Bcf was imported on Alliance in the fourth quarter, accounting for 9 percent of the short-term Canadian imports.

Fourth Quarter Data: Comparing fourth quarter 2000 to fourth quarter 1999 data, total imports under long-term contracts increased. Of this total, long-term Canadian imports decreased while long-term LNG imports increased. Specifically, **natural gas imports under all long-term contracts** totaled 360.0 Bcf, compared to 358.9 Bcf in the fourth quarter of 1999. Of this total, **long-**

term Canadian imports were down 1 percent (332.8 v. 337.1 Bcf). The average price of this gas was \$5.11 per MMBtu, which is \$1.28 or 33.4 percent higher than the preceding quarter and \$2.55 or 99.6 percent higher than the fourth quarter of 1999. **Long-term LNG imports** increased to 27.2 Bcf. Specifically, Distrigas imported 7.5 Bcf from Algeria at an average price of \$3.06 per MMBtu and 13.0 Bcf from Trinidad at \$3.37 per MMBtu. Duke imported 6.7 Bcf from Algeria at \$3.60 per MMBtu.

During the fourth quarter, 101 companies used **short-term authorizations to import** 662.9 Bcf, which is a 15.3 percent increase over the fourth quarter of 1999 (574.9 Bcf). Of this total, 621.7 Bcf was **imported from Canada** at an average price of \$6.25 per MMBtu, compared to 540.2 Bcf at \$2.47 in the fourth quarter of 1999, and 544.7 Bcf at \$3.88 in the previous quarter. **Imports from Mexico** totaled 6.6 Bcf at an average price of \$7.56, compared to 13.9 Bcf at \$2.31 in the fourth quarter of 1999 and 0.2 Bcf at \$4.88 last quarter. **Short-term LNG imports** totaled 34.7 Bcf for the quarter, compared to 26.2 Bcf last quarter, and 20.8 Bcf in the fourth quarter of 1999. Under short-term LNG import contracts, CMS imported 14.4 Bcf at \$3.31 from Qatar; 2.8 Bcf at \$3.57 from Indonesia; 2.5 Bcf at \$5.22 from Nigeria; 2.5 Bcf at \$2.93 from Oman; and 1.8 Bcf at \$6.47 from Trinidad. BP imported 2.9 Bcf at \$4.13 from Trinidad; Duke imported 0.9 Bcf at \$3.57 from Algeria; and Distrigas imported 6.9 Bcf at \$4.91 from Trinidad.

Approximately 26 percent of the **short-term Canadian imports** occurred at Eastport, ID at an average price of \$6.10 per MMBtu; 17 percent at Port of Morgan, MT at \$6.53; 12 percent at Sumas, WA at \$7.80; 11 percent at Noyes, MN at \$5.57; 10 percent at Niagara Falls, NY at \$5.79; 9 percent at Sherwood, ND at \$6.16; 6 percent Calais, ME at \$5.82; 4 percent at Waddington, NY at \$6.06; and 5 percent at other entry points at \$5.61.

In addition, 22 **short-term export** authorizations were used, exporting a total of 52.1 Bcf of gas. Ten companies exported 25.8 Bcf to Canada, at an average price of \$4.37 per MMBtu. Twelve companies exported 26.3 Bcf to Mexico at \$5.97 per MMBtu. Finally, 18.8 Bcf of LNG was exported to Japan at \$4.46 per MMBtu (delivered).

2000 Highlights: Comparing the 2000 data with that of 1999, total gas imports increased 5.4 percent (3778.9 v. 3586.1 Bcf) and total gas exports increased 47 percent (245.9 v. 167.3 Bcf). Canadian imports increased 5.2 percent (3544.0 v. 3368.2 Bcf); Mexican imports decreased 79 percent (11.6 v. 54.5 Bcf); and LNG imports increased 73 percent (223.3 v. 163.4 Bcf). Exports to Canada increased 76.4 percent (74.8 v. 42.4 Bcf) and exports to Mexico increased 72 percent (105.5 v. 61.3 Bcf). LNG exports to Japan increased 3 percent (65.6 v. 63.6 Bcf).

This quarter's **focus report** is a review of gas import/export activity for 2000. The quarterly report and future revisions to the report will reside on our Electronic Bulletin Board at (202) 586-7853 and on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Regulatory - Natural Gas). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.